

Message Text

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FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 2023

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMEMBASSY JIDDA

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USDOC WASHDC

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BEIRUT FOR RCAA

E.O. 11652: N/A

TAGS: ECRE EINV KU EAIR

SUBJECT: KUWAIT HOTEL ACTIVITY

REF: A) KUWAIT 4990 (NOTAL); (B) KUWAIT 5419 (NOTAL)

1. YUSUF HAROON, PANAM/INTERCONTENTAL HOTEL COMPANY SENIOR VP INFORMED AMBASSADOR JAN 21 THAT KUWAIT AIRLINES CHAIRMAN FULAIJ TOLD HIM GOK COUNCIL OF MINISTERS HAD APPROVED CONSTRUCTION OF THIRD LUXURY HOTEL IN KUWAIT (REF A). DESIGN AND MANAGEMENT CONTRACT FOR HOTEL, WHICH IS TO INCLUDE FULLY EQUIPPED CONFERENCE CENTER AS WELL, FULAIJ INDICATED, WOULD GO EITHER TO FRENCH (MERIDIAN) OR AMERICAN COMPANY. HAROON FEELS AFTER TALKING TO FULAIJ THAT PANAM/INTERCONTINENTAL HAS INSIDE TRACK.

2. HAROON ALSO SAID HE INFORMED BY FUAD ABU ZAYYAD (US LAWYER IN KUWAIT) THAT KUWAIT REAL ESTATE INVESTMENT CONSORTIUM (KREIC) HEADED BY PLANNING BOARD CHIEF AHMAD DUAIJ AND ABD AL-LATIF KHALED AL-HAMAD NOW NEGOTIATING TOURISM, HOTEL AND MIDDLE-CLASS

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HOUSING CONSTRUCTION IN SYRIA AND EGYPT (SEVERAL HUNDRED

MILLION DOLLARS WORTH IN EACH COUNTRY (REF B AND PREVIOUS).
KREIC WANTS TO DISCUSS WITH PANAM CONSTRUCTION OF HOTEL IN
DAMASCUS AND HOTEL APARTMENT COMPLEX IN CAIRO. HAROON SAID
HE WAS TOLD HE WOULD BE ASKED IF PANAM/INTERCONTINENTAL WILLING
TRAIN KUWAITIS IN HOTEL BUSINESS; AND HE ADDED OF COURSE PANAM/
INTERCON WOULD BE HAPPY TO PROVIDE SUCH TRAINING.

3. HAROON SAID KAC CHAIRMAN FULAIJ HAD BEEN GRATIFIED TO LEARN
FROM HIM THAT PANAM PREPARED ASSIST KAC DEVELOP COMPUTERIZED
RESERVATION SYSTEM AND WILLING HAVE IT INTEGRATED INTO PANAM'S
OWN INTERNATIONAL SYSTEM.

4. HAROON NOTED WITH NO LITTLE PRIDE THAT WITH SOME DOZEN
HOTELS IN PROGRESS IN SAUDI ARABIA AND GULF AREA, PANAM HAD ITS
HANDS FULL AND BUSINESS WAS BOOMING, AT LEAST IN HOTEL BUSINESS
IN THIS PART OF WORLD.

5. COMMENT: REF A REPORTED THAT GOK HAD DECIDED TO AUTHORIZE
1000 NEW DELUXE CLASS HOTEL ROOMS HERE. IN ADDITION TO NEW HOTEL
WHICH MANY OBSERVERS ASSUME WILL BE INTERCONTINENTAL, BOTH
SHERATON AND HILTON PLANNING MAJOR EXPANSIONS. POSSIBILITY ALSO
EXISTS THAT SECOND COMPLETELY NEW HOTEL MAY BE BUILT. WE FIND
HAROON-FULAIJ DISCUSSIONS INTERESTING SINCE YEAR AGO IHC
VICE PRESIDENT BERLIND TOLD EMBOFF IHC HAD GIVEN UP TRYING TO
WORK WITH KAC WHICH SEEMED TO BE TAKING FOREVER TO GET OFF THE
DIME. APPEARS NOW, HOWEVER, THAT IHC AND KAC ARE BACK ON THE
TRACKS. MOREOVER, HOTEL SITUATION HERE BECOMING TIGHT SO THAT
PRESSURE IS BUILDING TO MOVE FAST ON HOTEL EXPANSION PROJECTS.
STOLTZFUS

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